



660.0064

15) 445-4538

June 26, 1980

Mr. Dick Frank
San Luis Obispo County Assessor
Courthouse
San Luis Obispo, CA 93408

Dear Mr. Frank:

Assessor's Parcel No. 02-425-06-000

In your letter of June 13, you ask our opinion as to whether certain property that is owned by the California Polytechnical State University of San Luis Obispo, but which is leased to a nonexempt entity, is exempt from property tax.

The University attorney argues that since the University is a part of the state, its property is exempt under Article XIII, Section 3(a) of the California Constitution.

Article IX, Section 6, provides in part that the state colleges (universities) are included within the definition of the "public school system". Since the public school system is regarded as part of the state, the property owned by them is considered to be state property. (Cal. Jur. 2d, pages 994-997.)

However, this does not necessarily mean that the property is exempt from tax. Since the property is leased to a nonexempt entity, it would seem appropriate to consider that the leased property is subject to tax as a possessory interest under Sections 197 and 197.1.

Very truly yours,

Glenn L. Rigby
Assistant Chief Counsel

GLR:fr

cc: Mr. Gordon P. Aschman
Mr. Robert H. Gustafson
Mr. Verne Walton